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Fernald Environmental Management Project



Work Force Restructuring Plan

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U.S. DEPARTMENT OF ENERGY
FERNALD ENVIRONMENTAL MANAGEMENT PROJECT
WORK FORCE RESTRUCTURING PLAN
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EXECUTIVE SUMMARY

Section 3161 of the National Defense Authorization Act for Fiscal Year 1993, P.L. 102-484, requires the Secretary of Energy to develop a plan for the restructuring of the work force at defense nuclear facilities upon a determination that a change in the work force at such facilities is necessary. The Secretary has decided that section 3161 will apply to work force restructuring activities at all Department of Energy (DOE) sites. This document contains the work force restructuring plan for the DOE Fernald Environmental Management Project (FEMP). As required by section 3161, and for the reasons set forth in the plan itself, the Secretary intends this plan to be a "living" document -- that is, it will be revised whenever new developments indicate that that would be beneficial.

As a result of our Nation's changing defense needs, the mission of the Fernald Site has shifted from production to environmental clean up. Budget reductions have resulted in a decision to restructure the work force at the Fernald Site. Section 3161 stipulates that the Department of Energy shall submit a work force restructuring plan to Congress that sets forth a strategy to mitigate the effects of defense reductions on workers and communities after consulting with the relevant stakeholders. Secretary O'Leary is personally committed to the task of assisting the workers and communities who have served our national security interests for over forty years in a manner that protects public health and safety and the environment.

The scope of this work force restructuring at the FEMP includes the voluntary separation or retirement of 62 employees of the Environmental Restoration Management Contract (ERMC) prime contractor, the Fernald Environmental Restoration Management Corporation (FERMCO), involuntary separation of 128 salaried and 70 hourly FERMCO employees, as well as 50 personal service contractors to FERMCO. The plan outlines benefits available to each of these groups, including severance, medical, dental, and retirement benefits; employee, child care, and outplacement assistance; job seeking skills workshops; and relocation assistance. The plan also discusses DOE activities to date to establish a program to retrain workers subject to restructuring, either for other environmental restoration activities at the FEMP or other DOE sites, as well as for new positions outside of the DOE complex. A schedule for current restructuring activities, and a cost summary for restructuring activities involving FERMCO employees is also provided.

This plan has been developed with the benefit of the views of stakeholders received at the National stakeholders meeting held in Washington on June 11, 1993, and at the stakeholder meetings for the FEMP work force restructuring, held in Harrison, Ohio on July 8 and October 4, 1993, as well as those communicated in correspondence to the Department. A summary of the concerns raised by stakeholders that affect the FEMP restructuring plan, and the DOE response to those concerns is included as the final section of this plan.

I. INTRODUCTION

A. PURPOSE

The Department of Energy (DOE) has provided this work force restructuring plan for personnel at the FEMP. This plan is prepared under section 3161 of the National Defense Authorization Act for Fiscal Year 1993, P.L. 102-84 (section 3161) after consultation with local and national stakeholders, and will be updated as the Department considers necessary, but at least annually.

B. SCOPE

Pending restructuring activities at the FEMP involve prime contractor personnel and subcontractor personal service personnel only. Although the discussion of available benefits may include reference to non-personal service subcontractor personnel, certain benefits available to the personnel are defined in applicable agreements between the personnel or their representatives and the subcontract employer. When restructuring activities affect those personnel, the plan will require further modification.

The Department's intent is that employees whose employment in positions at the FEMP is terminated shall, to the extent practicable, receive preference in hiring to carry out DOE missions. The Department is aware, however, of litigation and unfair labor practice charges brought against FERMCO by the Fernald Atomic Trades and Labor Council (Fernald Council) who represent many of the hourly FERMCO employees. Resolution of these matters may have a significant effect on the question of work allocation, for example. In any event, until these matters are resolved, the Department cannot define precisely what constitutes the bounds of the practicability of preference of hiring. The Department has initiated a process to address the issues related to work allocation, and would welcome additional suggestions from any of the local or national stakeholders on this point.

C. BACKGROUND

In August 1991 the Fernald, Ohio, uranium production site formally completed its transition from production activities to a facility to be cleaned up under applicable Federal and State requirements. Production operations officially ceased. Since that time, efforts at the FEMP have been directed toward environmental restoration and waste management.

DOE is the owner of the FEMP and has the ultimate responsibility for cleanup and environmental restoration. This responsibility includes meeting established milestones, working with regulators, and consulting with the general public on environmental restoration activities and future use of the FEMP site when those activities have been concluded. DOE's policy is to use a contractor to manage and perform the required tasks. That contractor is FERMCO, which performs its activities for DOE at the FEMP site under an Environmental Restoration Management Contract (ERMC).

D. REASONS FOR WORK FORCE RESTRUCTURING

Based upon current budget considerations, FEMP activities in early FY 1994 will not be funded at a level that was initially anticipated by the Department. As of July 1, 1993, FERMCO employed approximately 2,350 full-time employees. Approximately 900 additional persons worked for subcontractors of FERMCO. At the expected budget levels, DOE announced on June 10, 1993 that the total number of site positions was expected to decline by up to 500, with approximately 150 being subcontractor positions and approximately 350 being FERMCO positions. It is currently expected that the overall levels of FERMCO personnel will continue to decrease in FY 94 and FY 95 as the result of facility shutdown efforts, budget constraints, and modifications to the labor skills mix as site remediation and restoration activities proceed. DOE also anticipates an increase in the number of subcontractor personnel involved in remedial design and remedial construction during this period, since DOE in the ERMC precluded FERMCO from performing either of these functions. In addition, by FY 95 the number of individuals involved in environmental sampling and characterization will begin to decline significantly as remedial investigations and feasibility studies are completed. In the same period, there will be an increase in

construction management personnel and persons involved in subcontractor oversight. At present, this work force restructuring plan involves restructuring activities only at the contractor and personal service subcontractor levels.

Based on the latest information on the Fiscal Year 1994 budget, DOE estimates the site will displace about 310 workers in early Fiscal Year 1994: 260 from FERMCO and 50 personal service contractor personnel. DOE currently expects additional reductions of 100 to 200 positions in several small increments in late FY 1994 and FY 1995. The number of FERMCO and subcontractor employees is likely to vary depending upon the nature of the work and the extent of budget levels.

DOE is currently evaluating FERMCO's proposed work force (skills mix) requirements for activities planned to be performed at the FEMP. Further modification to this plan may be required once the proposal has been approved.

In developing this plan, DOE has consulted with local and national stakeholders and modified the draft plan in a number of ways. Any modifications to this plan likewise will be developed after similar consultations.

II. THE ERMCO CONCEPT

In 1992 DOE inaugurated the first ERMCO at the FEMP. FERMCO began its activities under the ERMCO in December 1992. Presently, the only active DOE ERMCO is at Fernald. The ERMCO concept is a departure from historical DOE management and operating (M&O) contracts, and is aimed at finding innovative, cost-effective means to accomplish the changing mission of the Department. The jointly developed FEMP mission statement is "Together DOE and FERMCO are committed to the safe, least-cost, earliest, final clean-up of the Fernald site, within applicable DOE orders, regulations and commitments and in a manner which addresses stakeholder concerns". The success of environmental restoration activities at Fernald will come from actions which implement and further this mission statement. This Work Force Restructuring Plan has been prepared with these objectives in mind. DOE intends that environmental safety and health objectives will be met, and the

implementation of a work force restructuring plan can be achieved consistent with these objectives.

The ERM C is expected to undertake environmental cleanup in a project-like, results-oriented manner. Unlike production-type work which is based upon a known, often quantifiable level of effort, the ERM C concept identifies particular skills necessary to perform each particular environmental remediation activity. Employees who have the necessary skills work on that activity until completion. Once that activity is completed, whether such employees have a continued presence at the FEMP (and will be paid by the contractor) will depend upon the availability of other work for which they are qualified. It is expected that a considerable number of these employees will not have a continuous presence at the site, but will be brought in to perform work for which they are qualified as it becomes available. DOE does not believe the "ebb and flow" of such work, and its impact on such employees, in itself is tantamount to a "restructuring" of the work force. It is believed this use of the work force and the resulting economy of scale will result in project activities which are performed faster and with greater efficiency. This is a fundamental element of the ERM C concept.

This ERM C is consistent with the Secretary of Energy's new initiative to find better ways for the Department to hold its contractors more financially accountable. The ERM C concept imposes a greater level of responsibility and financial risk than a M&O contractor typically has. In recognition of this increased risk, the ERM C contract provides the contractor more flexibility than the previous M&O contractor; however, it is also held more accountable for its actions. A central element of this accountability is its responsibility to select and manage a work force appropriate to site cleanup activities. The DOE retains overall site responsibility, provides guidance and direction to the ERM C in accordance with contractual responsibilities, works with the various regulatory agencies and the community, and provides control and leadership regarding DOE policies and procedures, including guidance and direction on the process to implement a work force restructuring plan. This work force restructuring plan has been prepared in a manner which recognizes the ultimate authority of DOE at the FEMP while recognizing the unique nature of the ERM C and the contributions made by the Fernald work force in winning the Cold War.

III. PLAN COMPONENTS

The personnel groups that are involved in this work force restructuring are both represented hourly employees and non-represented salaried employees of FERMCO and some subcontractor personal service personnel. Certain elements of the plan are different for these three groups and are spelled out below.

A. VOLUNTARY PROGRAM

Prior to initiating any involuntary actions, DOE approved a program to provide employees the opportunity to volunteer for reduction. For this initial work force restructuring, 62 employees accepted the voluntary program. The objective of this program was to minimize the number of involuntary actions while providing balance between individual desires and the need to retain essential skills. Toward that end, non-retirement eligible employees who wished to voluntarily participate in the reduction, and who obtained division manager approval, received a severance payment based on their length of service (see Severance), Medical Benefits for Displaced Workers (see Medical) and outplacement support (see Outplacement). Retirement eligible employees who wished to voluntarily participate in the reduction received a severance payment based on their length of service, as well as their retirement benefits. Medical coverage will be provided to retirees in accordance with the retirement benefits (see Medical for eligibility) in lieu of the Medical Benefits for Displaced Workers.

All employees wishing to volunteer for this program were given a specific "window of opportunity" for doing so. This gave contractor management the opportunity to review all volunteers and either accept or reject their request prior to proceeding with involuntary selections. The window for voluntary actions for the current work force restructuring closed prior to the announcements of involuntary actions on August 9, 1993. Persons receiving notice of involuntary termination were allowed to elect early retirement with severance if qualified by age and service time.

B. INVOLUNTARY SELECTIONS

1. FERMCO Salaried Employees

As of the date of this plan, 198 FERMCO employees (128 salaried employees, 70 hourly employees) are expected to be involuntarily separated. All 70 hourly employees who are to be involuntarily separated were identified in accordance with collective bargaining agreement seniority bumping rights. The average term of employment for these hourly employees at the FEMP is approximately one year.

In order to identify and maintain the skills necessary for the environmental cleanup activity at the FEMP, an evaluation process has been established to review salaried employee essential skills. This review focuses on current and future skill needs, determined by contractor division level management. Through this process, each employee's potential for meeting future work requirements will be determined on a case-by-case basis. Salaried workers are rated relative to others in the same discipline on their expected ability to contribute to future FEMP activities. In addition to essential skills, adherence to values such as safety consciousness, total quality management participation, quality of work, productivity, and teamwork, experience (including site experience) and work force diversity are considered. FERMCO is responsible for the results of this process, with advice from their managers and internal customers.

The President of FERMCO, with the advice of his management team, determines the number of personnel in each discipline required to carry out the FERMCO mission at the projected budget level (a discipline is defined as a group of employees who perform similar functions with similar skills and responsibilities).

Immediately upon their identification, all salaried employees selected for an involuntary action are reviewed for internal placement. FERMCO will post the availability of internal transfers and will review all affected persons against current and expected job openings where the employee possesses the qualifications required for the position. The hiring manager has ultimate selection authority for the open job and must determine the best

match for the position by evaluating the qualifications of the proposed individual against the needs of the position. However, the manager will be encouraged to select individuals displaced from other work at the FEMP site, as assisted by training and mentoring.

Salaried employees who believe they are unfairly selected for reduction will be given the opportunity to submit a written request to the FERMCO Board of Appeals to have their concern reviewed and evaluated. The Board consists of the following members: Employee Ombudsman (Chair), EEO Officer, Employment Representative, Continuous Performance Improvement Representative, Engineering Support Representative, and two additional non-voting members. This Board has been constituted for the express purpose of providing a means for employees to obtain a final hearing related to their particular circumstances. The Board of Appeals has the responsibility to review the circumstances and make a recommendation to the Office of the President prior to finalizing the reduction action. Concerns of employees in the bargaining units will be resolved through established grievance processes.

A number of temporary and co-op students currently work for FERMCO. These employees provide cost-effective short-term help and/or a beneficial cooperation and involvement with local educational institutions. For those assignments which extend beyond October 1993, each temporary assignment will be reviewed by FERMCO to determine whether it should be converted to a full-time job. If it is determined to convert the position to full-time status, the current temporary person will be considered in the internal ranking process and the position will be filled by the most qualified person from the overall ranking for that discipline. FERMCO managers perform overall evaluation of co-op students in conjunction with the affected university to establish a balance between the needs of the students and the effects of displacing full-time employees.

In keeping with affirmative action commitments, the process and results of work force reductions are reviewed and monitored to ensure that the current affirmative action posture is maintained and that protected groups of employees are not disproportionately nor adversely affected.

2. Subcontractor Employees

Currently, there are approximately 900 subcontractor personnel working on FEMP activities, including salaried personnel, and represented hourly employees. In general, these personnel are utilized in the following ways:

- a) For tasks that FERMCO personnel cannot perform under the ERMC;
- b) For tasks of short duration, normally one year or less;
- c) For tasks involving unique or special skills and/or facilities and equipment;
- d) For tasks involving skills which FERMCO does not have in sufficient supply.

Subcontract services generally can be divided between those that are personal services in which the subcontractor works as an extension of the FERMCO team; and those that are task-oriented, where cost, scope, and schedule are managed and supervised by the subcontractor. Represented hourly employees who are employed by subcontractors are covered under paragraph B.3 below.

a. Personal Service Subcontractors Using Salaried Personnel

Those subcontractors providing personal services are included in the employee ranking process described above for FERMCO and Teaming Partner employees. Currently, there are approximately 90 such individuals providing services at the FEMP. Where it is determined through the selection process that a personal services subcontractor employee is expected to contribute more value to future FERMCO activities than a FERMCO employee, and as a result a FERMCO employee is selected for lay-off, the FERMCO Division Manager will review the specific circumstances surrounding the use of the subcontractor employee with the FERMCO President. This will be done to minimize the impact of reductions on regular full-time FERMCO employees and recognizes that personal services

subcontractors receive a pay rate which is consistent with transient employment. As of the date of this plan, approximately 50 personal services subcontractor employees are expected to be terminated.

b. Task Subcontractors

FERMCO also reviews all task-oriented subcontract activity not contractually excluded from the scope of the FERMCO contract, to determine the desirability of transferring those activities to the FERMCO work force. Contingent upon the available skills, the results of the cost analysis, the acceptability of schedule impacts, and the contractual terms, FERMCO will transfer work from subcontractors to the FERMCO work force as often as possible. For current work force restructuring activities, FERMCO identified no tasks to transfer in-house.

Work force restructuring involving subcontractor personnel whose services are no longer needed will be managed under the terms of the specific contract. Subcontractor personnel whose contracts or services are terminated under this restructuring may avail themselves of the outplacement assistance services established by FERMCO, and may participate in the DOE-wide résumé review program. As noted previously, this plan may require further modification as non-personal service subcontractor personnel are identified for layoff.

3. Represented Employees (Fernald Council, IGUA and GCBCTC)

Unlike the process whereby value judgments can be made with respect to individual salaried employees, hourly employees subject to restructuring are identified to a significant extent by the terms of the collective bargaining agreements to which the affected employee is subject.

FERMCO currently employs 590 individuals who are represented by either the Fernald Council or the International Guards Union of America (IGUA). In addition, approximately 723 subcontractor employees at the FEMP are represented by the Greater Cincinnati

Building & Construction Trades Council (GCBCTC). With respect to the Fernald Council and IGUA, the collective bargaining agreements govern the procedures for conducting a reduction in the work force (RIF) as well as identifying the benefits available to each. When a reduction in force is necessary, FERMCO will comply with the Worker Adjustment and Retraining Notification (WARN) Act, other applicable legislation, and the provisions of its labor agreements with the respective unions.

Presently, all hourly FERMCO employees who have been identified for involuntary separation are represented by the Fernald Council. For those employees, FERMCO Remediation Support Operation (RSO) management will determine the classifications to be reduced by reviewing the number of employees within each classification and weighing that number against the manpower levels needed to accomplish the available work. If a surplus of employees exists in a particular classification, that classification will be reduced by the number of excess employees. Those excess employees will be selected based upon seniority and, if applicable, may be transferred to other classifications. To be transferred to another classification, the employee must have sufficient seniority to retain a position and "bump" another individual out of the classification. This bumping process continues until those employees bumped out of classifications are identified for layoff. FERMCO Security has determined that a surplus of security officers does not exist. For subcontractor employees represented by the GCBCTC, restructuring will occur through the termination of the subcontract or task order under which they are employed at the site. DOE has taken the view that completion of subcontract work or any task made a part of a subcontract does not constitute a restructuring activity. To the extent work force restructuring has a direct impact on the employment levels of such personnel at the FEMP, DOE will consider appropriate modifications to the plan.

Those hourly FERMCO employees identified for layoff will be placed on recall lists for each classification in which they retain seniority rights. If an increase in the manpower level becomes necessary in a particular classification, employees on the recall list for that classification will be contacted and offered the vacancy. These employees have priority over outside hiring until their recall rights expire; i.e., 24 months from the effective date

of layoff or upon refusal of recall.

The Benefits Section of this plan (see Benefits) specifies the benefits available to the hourly FERMCO employees who are laid off, with the exception of severance and retirement benefits. The labor agreements specify a severance allowance of 30 hours of straight-time pay for each full year of company service. This will be paid to all hourly employees laid off in excess of seven (7) days. Hourly employees who are current participants in the retirement plan at the time they are laid off and who meet eligibility requirements may elect to retire.

The hourly FERMCO employees being laid off were given the applicable 60-day WARN Act notice on August 9, 1993 and were reassigned to the Resource Center effective September 27, 1993 in order to utilize the services provided at that Center (see Outplacement) to assist them in finding other employment. All time spent at the Resource Center or actively pursuing employment during set work hours will be compensated at the normal straight time hourly rate.

Hourly FERMCO employees who are part of the reduction, and who believe they were improperly selected for layoff, may utilize the grievance procedure in the applicable labor agreement.

C. BENEFITS

DOE has provided a benefits package to all FERMCO employees affected by the reduction. Detailed below are the major types of benefits being provided, including severance payment, medical and dental benefits, life insurance, retirement, and savings plan. Training benefits are addressed separately in the next section. Benefits review sessions have been provided to all affected salaried employees the week immediately following individual notification and to represented employees on September 27, 1993. The sessions consisted of an explanation of continuation of benefits, the costs involved, the forms that will be needed to be submitted, the different lengths of coverage, the retirement plan, how retirement benefit calculations were made, and savings plan options. Also, individual counseling sessions were

conducted to address the unique situations, needs, and options of each affected employee.

1. Severance

FERMCO salaried employees are entitled to a severance payment in the event employees are discharged due to reasons beyond their control. The base salary in effect at the time of termination will be used to determine the amount of severance. Payment of severance is based upon the following table and will be paid in a lump sum amount:

<u>Length of Service</u>	<u>Weeks of Severance</u>
1 year up to 3 years	3
3 years up to 6 years	5
6 years up to 9 years	7
9 years up to 12 years	11
12 years up to 15 years	22
15 years and over	24

2. Medical Benefits

Once removed from the FERMCO payroll, separated workers will continue to receive medical insurance benefits consistent with DOE policy. Under the Medical Benefits for Displaced Workers, eligible employees are allowed to continue medical coverage on a graded-contribution rate. Employees lose eligibility when other medical insurance is made available to them through another employer or a spouse's employer. The table below summarizes the employee contribution by year after separation.

<u>Year</u>	<u>Employee Contribution</u>
1st	full employee contribution rate
2nd	50% of the total plan costs, not including administrative costs
3rd	100% of the total plan costs, not including administration costs
4th	100% of the total plans costs including administrative costs.

3. Dental Benefits

The employee will have 60 days to sign up for continuation of dental benefits, and another 45 days to begin contribution payments. As long as the employee makes the contribution, coverage will continue. Once the contribution is 30 days past due, the coverage will be canceled. The employee will be notified prior to cancellation, however. Once an employee's coverage is canceled, the coverage cannot be reinstated.

4. Life Insurance

The life insurance covering the employee will be canceled effective the end of the month of termination. The employee will be eligible to convert to an individual life policy with the insurance carrier (Equicor) providing application is made within 31 days of the notification of conversion. Notifications are usually issued within one week of separation.

5. Retirement

Salaried employees who are age 55 or older with ten years or more of service, and employees who are age 65 or older regardless of years of service, are eligible to retire. Retirees are eligible to continue medical coverage for their lifetime at the same contribution rate as an active employee. The retiree also will have a \$5,000 life insurance policy, unless the retiree is a grandfathered employee of a previous plan. The Grandfathered Life Insurance Plan, which terminated in 1981, provides a benefit of two times the final annual base salary, with \$100,000 maximum, which is reduced by the monthly pension plan to a minimum of \$10,000. The Retirement Plan monthly pension payment benefit is calculated based on age at time of retirement, final average earnings, Social Security wage base, and years of service.

6. Savings Plan

Employees may take distribution from their vested account in the Employee Savings Plan or leave their money invested in the Plan. Vesting credit will be calculated based on the

last day of employment. Employees will be encouraged to carefully consider associated income tax consequences.

7. Employee Assistance Program

Employee Assistance Program (EAP) professionals will be readily available during the layoff period to assist managers and employees in need of counseling. The program currently offers counseling services to all FERMCO employees and family members. This is designed to help them work through problems dealing with family relationships, individual problems of daily living, marital relationships, stress, gender issues, and work-related problems. This benefit will be available to all employees targeted for layoff. EAP professionals are available to train and/or to provide guidance to managers and supervisors on recognizing and being sensitive to the concerns of employees, as well as their own feelings on making layoff decisions and delivering the notification, and how to appropriately utilize and access the services of the EAP.

8. Child Care Assistance

DOE has enhanced the contractor's normal benefits to include child care assistance for employees affected by the reduction. \$75.00 per week per child up to a maximum of 3 children will be provided as long as the laid off worker is an active user of the resource center. The intention of this enhancement is to afford employees the opportunity to make use of the tuition reimbursement benefit and to make maximum use of their employment search time.

9. Outplacement Services

Employees affected by this work force reduction have been encouraged to attain additional skills through training and to develop the skills and contacts necessary to find employment elsewhere. Employees are encouraged to pursue further educational initiatives on their own time with financial support to obtain certificates, degrees, continuing education credits, or courses which will help them advance their careers in the

environmental arena and in selected non-environmental areas. This has and will continue to enhance the opportunities available to these individuals when their work is completed at the FEMP, or when they wish to seek other employment.

In order to assist individuals in achieving these goals the Department will provide the following outplacement services: 1) job seeking skills workshops, and 2) establishment of a Resource Center (commonly referred to as an Outplacement Center).

10. Job Seeking Skills Workshops

Job seeking skills workshops are provided to all affected employees to improve the employee's ability to successfully conduct a job search.

An involuntary reduction can have the effect of lowering self-esteem and confidence and raising doubt regarding self-worth. Counseling is provided to help affected employees cope with the normal range of expected emotions including shock, anger, sadness, guilt, and fear. Once these feelings are validated, the person is better able to accept and deal with them and focus on moving forward with the job search. One of the most effective means of re-establishing a positive self-image is to identify areas of strength and personal preference. It is the employee's unique strengths and preferences that form the basis for the job search; i.e., what to look for and how to fashion a résumé appropriately.

Workshops are designed to provide affected employees with an understanding of what constitutes a good résumé, the different styles available, and when to use each one. Employees are trained in the use of cover letters and personal and professional references. In the case of hourly employees, employment applications play a major role in the job search. For this reason, workshops are tailored to the participants and their unique needs. An hourly employee oriented workshop will spend considerably more time and emphasis on the application versus the résumé.

Setting up a tracking system, being prepared for telephone calls, and establishing the job search network will be discussed in order to assist employees in getting organized for the

job search.

The workshops will address various techniques to identify potential employers and job opportunities such as:

- * Use of the Thomas Register
- * Classified Advertisements
- * Trade Journals
- * Industrial Directories
- * State Indices
- * Networking
- * Employment Agencies
- * Mail Marketing
- * Job Fairs

Interviewing skills will be addressed and practiced during the workshops so that constructive feedback can be obtained in a comfortable setting. How to present oneself, answer and ask questions, and verbally and non-verbally communicate the right message(s) will be discussed. Effective follow-up to interviews will also be presented. Finally, receiving and evaluating job offers, and strategies for declining or accepting them in a professional manner will be discussed.

11. Resource Center

The intent of DOE is not only to equip affected employees with the skills needed to launch a job search, but also to provide the opportunity and resources needed for the job search to be successful. To do this, a Resource Center has been established for use by all affected employees regardless of classification. The Resource Center has been available since August 6, 1993. Employees affected by the reduction are encouraged to make maximum use of the Center from the day of notification. Employees will be paid for time spent at the Center, up to a normal 40-hour work week, during the notification period of 60 or 10 days consistent with their job classification as a salaried or hourly

employee. The Center is designed to be "home base" for an employee once notified of termination. This will help keep an employee's routine somewhat normal; i.e., the employee will still go to work each day, and have an opportunity to concentrate on the job search.

The Center provides semi-private and common areas, computers, phones, facsimile and copying capabilities. Due to the computer training provided to all affected employees (See Computer Training Section) only a limited amount of administrative and clerical support is necessary. However, résumé preparation assistance is provided as needed.

In addition to providing a central location and equipment, the Center provides resources that can be used at the employee's discretion. Examples of such resources are:

- * Local and Nation-wide Newspapers
- * Trade Journals
- * Industrial Directories
- * Self-Help Programs

A job posting board advertises opportunities. Job opportunities at the FEMP and at other DOE installations are posted and complete lists of affected persons are automatically sent to all such installations for employment consideration. Opportunities also will be posted as they develop.

To broaden affected employees' network and identify the maximum number of job opportunities, a professional Job Developer is available at the Resource Center. This individual will identify and publicize job leads, both local and national, to all affected employees. This effort will include contact with the local Chambers of Commerce, the Department of Labor, and employment bureaus. The primary tool for communicating job leads will be the job posting board, but written literature may also be developed as needed.

Success stories of fellow employees who become employed will be prominently

displayed. This will serve two purposes: 1) encouragement that success is possible, and 2) additional networking contacts.

Maximum use will be made of local seminars to assist employees toward future careers. The Center has hosted and will continue to host special discussions such as how to launch entrepreneurial enterprises and how to avail oneself of consulting opportunities.

Employers who are currently hiring are being brought to the resource center on a case-by-case basis.

If a salaried employee chooses not to engage in a job search, employment may be terminated prior to the end of the 60 day period and the employee will be entitled to all severance and vacation pay due at that time, including pay in lieu of notice for the remaining portion of the 60 day notice period. A voluntary retiree cannot participate in this benefit.

12. Relocation Assistance

A laid off worker who accepts a position at another DOE facility within one year from the effective date of separation will be eligible for relocation assistance not to exceed \$2,000.00. The worker must submit receipts for this benefit. This benefit is available for the worker who accepts a federal position, or a prime contractor or subcontractor position at a DOE facility which is over 50 miles from the FEMP.

D. RETRAINING

To the extent practicable, employees will be encouraged to attain skills needed to fill environmental remediation positions which may become available at the FEMP and elsewhere within the DOE complex. Training assistance also will be provided for available positions outside the Department.

1. Educational Reimbursement

Tuition reimbursement funds will be provided to those employees affected by layoffs for a period of up to two years to allow a laid off employee to pursue further education at any accredited institution of higher learning. During this two year period, a maximum of \$5,000.00 will be available for tuition and books. This will allow employees to begin immediate retraining at accredited schools where the curriculum may be valuable in enhancing skills and talents to increase their ability to find and qualify for viable jobs. This tuition reimbursement fund will allow for course work not related to DOE or contractor activities, provided the course work enhances the individual's employability. An affected employee may take advantage of this benefit if registered for the initial courses to be taken within one calendar year of separation. Exceptions to this time period due to extenuating circumstances will be handled on a case-by-case basis.

2. Funding Sources

Job Training Partnership Act (JTPA) monies for dislocated workers and President Clinton's Economic Adjustment Assistance Program monies are available from the Department of Labor on either the State or national level. The number of dollars required and requested will be determined in part by the number of employees who are laid off. It is estimated that approximately \$2,500 per laid off employee may be provided from these sources.

Laid off workers are encouraged to receive vocational counseling prior to entering training by the institution of their choosing. Training paid for by these funds will be structured to meet each employee's personal retraining needs and desires within the established guidelines.

3. Integration of Training and Outplacement Assistance

Overall outplacement services and retraining plans were integrated with the knowledge

of county employment and training agencies. These agencies may provide short-term emergency services that will cover a variety of outplacement and other training options. These agencies will coordinate efforts with the outplacement center and provide information on job availability and skill requirements in the local job market.

In addition, local vocational schools, colleges, and universities will be contacted to examine the types of services and curriculum they could provide to retrain workers. As needs are more clearly defined, the role of the local educational institutions in retraining efforts will be determined, both for the continuing work force and for employees who will be laid off.

4. Career and Educational Development

The outplacement services program is providing career counseling opportunities for laid-off employees who choose to use these services. Employees choosing to take part in the tuition reimbursement program may participate in a program of their choosing, providing it enhances their employment and career opportunities.

A program through Cincinnati Technical College is available to those individuals who want to pursue an Associates Degree in Engineering Technology with a major in the environmental discipline. Additionally, for the first time, during the Fall 1993 semester, the University of Findlay is offering course work that may lead to a Masters Degree in Environmental Management for those individuals who can qualify.

5. Retraining Requirements for New Job Classifications

As environmental restoration and waste management activities are further defined, new job classifications may emerge for which laid off workers could become eligible. DOE is currently evaluating FERMCO's proposed baseline work force (skills mix) requirements for out year projects. These data are available for review by interested stakeholders. After approval of the baseline, DOE will work with contractor line management to determine, according to the risk and hazards associated with each job, the fundamental

knowledge requirements, site specific training requirements, and job specific training requirements, as these new jobs evolve. DOE is committed to the placement of laid off workers into new positions. DOE and the contractor will inform the laid off workers of new job opportunities and the training which could qualify individual for these positions. To the extent practicable, DOE will provide appropriate training.

In addition to university and vocational training, initial hazardous worker training for the future manual work force to support the site remediation construction efforts will be conducted by recipients of DOE grants.

6. Computer Training

Each employee affected by this work force restructuring plan will be afforded the opportunity to take one computer class during this period of transition. The aim of this class is to provide the laid-off employee with the basic computer skills needed in today's world.

7. Training Records

The Training Records office documents training and individual achievement of qualification status in accordance with DOE Order 5480.20. Training Records is the central location for retention and maintenance of training-related records at the FEMP. The master files maintained by Training Records include individual training records, course files, and attendance rosters. The Training Records office will continue to assist and track all training by laid-off workers. Additionally, it will serve as a source for laid-off workers to obtain a record of their training history for future job reference.

8. Continuing Program Development

DOE will continue to work with FEMP contractors to develop programs associated with the ongoing management and restoration of the FEMP with local institutions of higher learning. These programs will be developed to minimize the transition effect on future

employees who will face layoffs and will serve as educational and career enhancement opportunities. DOE will be pleased to evaluate any proposal designed to meet this need.

E. EMPLOYMENT POLICIES

Employees who are affected by the restructuring will not be eligible for rehire or have any other affiliation with the project while covered under the severance payment period. Once the severance period has elapsed, and if suitable positions become available, they may be considered for rehire. Of course, they can forego their severance benefit or a pro-rata share of monies already taken and accept the available employment.

If during the 60-day notification period an employee successfully obtains new employment, the employee must terminate employment before beginning their new job. The employee will be eligible, however, for the authorized severance payment, provided that the new employment is not at the FEMP.

Once the reduction is completed, first consideration for new employment opportunities at the FEMP will be given to employees who were involuntarily separated. Following these reviews, consideration will be given to employees involuntarily separated from other DOE facilities prior to considering candidates from outside the DOE complex. Upon rehire, policies applying to such rehire will be the same as for a new hire, except that prior FEMP service credit will be applied toward vesting in pension and savings plans in accord with the terms of those plans.

F. LOCAL COMMUNITY IMPACT ASSISTANCE

Local stakeholders have formed the Fernald Citizens Advisory Group and have focused attention on the following concerns:

- o What should be the future of the site?
- o What should be the cleanup levels?

- o Where should radioactive and hazardous wastes present at the Fernald site be disposed?
- o What should be the cleanup priorities?

The Advisory Group agreed to a charter and conducted their first meeting on October 14th. The Manager of the DOE Fernald Office is an ex-officio member of the Advisory Group. The Department will assist the Advisory Group in its consideration of its concerns and to facilitate appropriate economic development at the Fernald site. These initiatives will be addressed in future updates of this plan. In a related matter, DOE is now in the process of developing economic development guidelines, analogous to the process it has used to establish guidelines for the development of work force restructuring plans.

G. SCHEDULE

This plan is based upon the following key activities for the currently anticipated work force restructuring, almost all of which already have occurred:

Date (1993)	Act	Description
June 10	General Notification	FERMCO employees and stakeholders were notified that a change in the work force was being planned at the FEMP. This activity began the 120-day notification period, as required by 3161.
July 6	Initial Draft Plan	First draft of work force restructuring plan was transmitted to DOE headquarters and to stakeholders.
July 8	Stakeholder Meeting	DOE held a local stakeholder meeting to gather input from stakeholders on the draft plan.
July 16	Voluntary RIF Initiated	The process of soliciting and evaluating volunteers within FERMCO commenced.
August 9	WARN Notice	<p>Salaried Employees of Involuntary Layoff: FERMCO notified all involuntarily affected salaried employees.</p> <p>Notice to Bargaining Unit of Required Reductions by Category: FERMCO informed bargaining unit personnel of planned reductions per labor classification in order that bidding and bumping procedures could begin under the labor agreements.</p>

Date (1993)	Act	Description
August 11	Revised Draft Plan	The revised draft plan was sent to the DOE-HQ task force and to stakeholders.
September 24	Notice to Affected Individual Bargaining Unit Personnel	FERMCO gave notice to bargaining unit personnel to be separated to begin outplacement.
October 4	National/Local Stakeholder Meeting	DOE-HQ Task Force and DOE-FN hosted National/Local Stakeholder Meeting in FEMP area.
October *	Secretary submits Plan to Congress	Final plan is sent to Congress upon approval by the Secretary. Stakeholders are notified that the final plan has been submitted to Congress and is available for distribution upon request. All stakeholders who provided comments on a draft version of the plan are provided a copy.

H. COST

For only FERMCO employees:

Activity..	FY 1993	FY 1994	FY 1995	TOTAL
Severance Payments	\$--	\$1,204,650	\$--	\$1,204,650
Benefits: Medical, Dental, Life, EAP	61,000	444,000	50,000	555,000
Outplacement	198,500	270,000	--	468,500
Retraining	123,000	790,300	--	913,300
Salaries (60-day Notification)	1,450,000	612,000	--	2,062,000
Relocation Cost	--	156,000	--	156,000
Child Care	12,000	28,500	--	40,500
TOTAL	\$1,844,500	\$3,505,450	\$50,000	\$5,399,950

Basis for cost estimates:

Retraining: \$5,000 for 130 employees, and \$263,300 for additional training

Relocation: \$2,000 for 78 employees

Child Care: 20 children per week at \$75 per child

I. PLAN UPDATES

This plan will be updated as circumstances warrant and in response to further direction from the DOE Task Force on Work Force Restructuring. DOE will submit an annual update of the plan to Congress as required by section 3161. The annual update will include an evaluation of the plan's implementation over the year, and how well DOE met the section 3161 objectives.

J. STAKEHOLDER INPUT

This plan has benefited from an active consultative process with local and national stakeholders. DOE has reflected, in this plan, responses to many of the issues raised by the local and national stakeholders, including issues raised at the meeting held in Harrison, Ohio, on October 4, 1993. Some concerns, particularly those involving allocation of current and future work among competing employee organizations, have not been fully resolved in this plan, as indicated earlier.

The following discussion provides DOE's current response to specific stakeholder comments on the draft work force restructuring plan presented during or following the meeting on October 4th:

1. The plan does not sufficiently describe transition benefits to be provided to construction workers. Section 3161 applies to all site employees, including construction workers. Laid off construction workers should also get severance pay.

Response: The DOE Task Force on Worker and Community Transition ("Task Force") has consistently stated that section 3161 clearly applies to all employees of DOE contractors or subcontractors subject to work force restructuring. However, the Task Force also has consistently stated that it may not be appropriate to offer on an equal basis all of the benefits made available under a work force restructuring plan to all of the contractor and subcontractor employees at a particular site. Elements to be considered in a determination of benefit application include the nature of the contractual relationship

to DOE and the length of service on-site.

In addition to the normally transient and temporary nature of construction work, construction activities at the FEMP traditionally have been carried out under subcontracts to the prime site contractor (NLO, Westinghouse, and now FERMCO). As of this date, the budget cuts which have necessitated the work force reduction at the FEMP have not resulted in the cancellation of any construction contracts. On-going construction activities will continue until the specific project or task is completed. At that time, the construction workers will either leave the site for other employment, or perhaps be referred back to the site for other work. If it is necessary to cancel or terminate a construction subcontract or task, and lay-offs of construction personnel result, benefits to be made available to such personnel under the plan will be evaluated.

2. The plan process has been flawed from the beginning due to the involvement of FERMCO in its development.

Response: DOE admits there was an element of confusion in the early stages of work force restructuring plan development as to the appropriate manner in which the site plan was to be prepared. As the Task Force has stated in guidance documents, the unique nature of the relationship between DOE and its contractors results in those contractors possessing much of the data required to prepare a work force restructuring plan. In addition, terms and conditions of the contracts between DOE and its contractors provide a framework which DOE must consider in any actions involving workers who are employed by those contractors. However, DOE takes full ownership of the process, and the plan has been reviewed, modified and in the final analysis prepared, as a DOE work product after DOE representatives have consulted with affected local and national stakeholders.

3. The plan is based on the false assumption that remediation work at the FEMP can be accomplished better/faster/safer/cheaper with subcontractors rather than Fernald members. There does not seem to be any economic analysis to support this conclusion.

Response: The ERMCO concept employed at the FEMP is unique within DOE. The ERMCO is a departure from historical DOE contracting methods, and represents an experiment in contracting reform. It attempts to utilize some of the same techniques proven to be effective in reducing costs which have been employed in the construction industry. The primary emphasis is on subcontracting specific specialized tasks to fixed-price subcontractors through a prime contractor to DOE--in this case FERMCO. Through fixed price/hard money contracts, a skilled, experienced work force performs discrete tasks. The job of the ERMCO is to coordinate/schedule/monitor the performance of work by these specialized subcontractors. However, since FERMCO also has been contractually charged with "landlord" responsibilities at the FEMP, and since some environmental restoration and waste management activities may be performed by Council members, it is likely FERMCO also will utilize Council personnel for various site activities.

Direct comparison of wages, benefits, and general terms and conditions of employment between Fernald Council members and Building Trades personnel has been a challenge for DOE. Construction hourly rates generally include all fringe benefit payments, such as health insurance, pension contributions, etc. Fernald Council hourly rates do not include such fringe benefits, other benefits such as life insurance, vacations, FERMCO overhead, and other cost elements. Further, the hourly rates of Building Trades personnel reflect the transient nature of the work they perform at the site.

The respective hourly rates are only one aspect of an economic comparison of value obtained for dollars spent on environmental restoration and waste management activities at the FEMP. The theory behind the ERMCO concept is that:

- o By its ability to bring work crews/subcontractors/specialists in and employ them only for the time needed to perform the specific job at hand, the ERMCO avoids the large costs and overhead associated with a full-time, dedicated work force.
- o Contract management concepts employed with great economic success in the construction industry can be directly applied in the same type of cost-efficient manner in the areas of environmental restoration and waste management.

The DOE Assistant Secretary for Environmental Restoration and Waste Management has indicated his intent to give the ERMCO concept an opportunity to prove itself as a viable contracting alternative. The DOE Fernald Field Office is committed to using its best efforts to see what the capabilities of the ERMCO concept are for providing the Government and the taxpayers the most value for dollars spent at the FEMP. FERMCO has assured the Department that it has a similar commitment.

4. There is a lack of work force data in the plan concerning skills needed, jobs to be done, and a comparison of how the Fernald Council members measure up against the criteria for current and future FEMP work.

Response: DOE acknowledges that the functions of environmental restoration and waste management make traditional work force analysis difficult due to the evolving nature of the work. The fact that some of the technologies required for proper performance of these cleanup activities do not currently exist only exacerbates the problem of looking into the future and predicting with specificity the exact types of skills to be required at the FEMP. It is the evolving nature of the job to be done which contributed to the development of the ERMCO concept. The ERMCO concept was developed to provide a mechanism which could better adapt to the changing needs of the cleanup activities.

As noted in Section I.D. of this plan, DOE is evaluating the contractor's proposal on the projected skills mix requirements for FEMP activities.

5. The plan does not adequately address the issue of retraining; does not provide adequate resources for retraining; and determines retraining to be "not cost effective" without the apparent benefit of analysis to support such a conclusion.

Response: Various retraining activities have taken place at the site since production activities terminated in 1989 and the site mission changed to environmental restoration and waste management. Such training includes Hazardous Waste Training and programs conducted by the University of Findlay. The plan includes benefits provided for displaced workers to continue training and education activities for 2 years and up to

\$5000 per person. In addition to educational reimbursement, the plan provides benefits related to: child care; a full range of professional outplacement activities; integration of outplacement actions with the Department of Labor, county employment and training agencies, local vocational schools, colleges, and universities; computer training; and a commitment to work with institutions of higher learning to develop training programs for emerging environmental restoration and waste management occupations.

The total cost of these benefits is estimated in the plan to amount to approximately \$1.9 million during the FY 1993-1994 timeframe, or over \$6,000 per employee for benefits related to retraining and job placement.

6. DOE should mandate a flowdown to subcontractors for preferential hiring of Fernald Council Members (similar to the flowdown provisions of the Project Labor Agreement for construction workers).

Response: DOE has encouraged its contractors to use, when possible, skilled workers who are being displaced from other DOE projects for work performed by DOE contractors and subcontractors on site. Subcontractors will be permitted to use the DOE Job Opportunity Bulletin Board System once it is implemented. In the meantime, DOE has directed FERMCO to give primary consideration to displaced site workers in any future hiring, followed by preference to displaced workers from other DOE sites.

The contractual flowdown provisions of the Project Labor Agreement are an outgrowth of the special construction industry exemption contained in section 158(f) of the National Labor Relations Act, which recognizes the unique nature of the construction industry and the prevalence of pre-hire agreements among its members and contractors.

DOE recognizes that, consistent with the objectives of section 3161, displaced Fernald Council members should be given preferential hiring at the site. DOE is presently exploring what mechanisms are available to contractually and legally impose preferential hiring requirements on FEMP subcontractors, including the use of appropriate flowdown requirements and the use of union hiring halls for referrals.

7. DOE should guarantee the rights of Fernald Council and FERMCO employees identified for layoffs until there is sufficient time for the legal challenges which have been made to be ruled upon.

Response: DOE has consistently stated that no layoffs will be taken until a work force restructuring plan had been approved by the Secretary of Energy and submitted to Congress. This remains the DOE position.

Other legal challenges involving the Project Labor Agreement as well as collective bargaining issues between FERMCO and the Fernald Council are considered to be outside the scope of the work force restructuring plan. Should future activities, including the Secretary's facilitation initiative or judicial and administrative decisions, indicate a need to revise, or a benefit in revising, the plan, DOE will revise it.

8. The plan should provide Fernald Council members an "ironclad guarantee" that they will not be laid off and immediately replaced with subcontractors.

Response: Employees were identified for layoff after a formal process of evaluation of such factors as skills, length of service, and proficiency. DOE believes very strongly that the requirement to prepare a work force restructuring plan should not be viewed as an opportunity to disadvantage or favor of any particular group of employees.

9. Not all "grantees" that can provide training are identified in the Plan (specifically, the Chemical Worker Training Center).

Response: DOE agrees. The plan now contains a general reference to DOE training grantees and acknowledges the important role they can play in retraining efforts for displaced workers.

10. The draft plan is bedrocked on terms that are without meaning; specifically, the terms "remedial design" and "remedial construction" are used to categorize tasks that will be assigned to subcontractors.

Response: The ERM contract includes these terms in the following context: "The ERM shall accomplish remedial design and other design services through subcontractors. The services to be provided include, but are not limited to:

- a) conceptual design report preparation
- b) design criteria development
- c) Title I, preliminary design
- d) Title II, detailed design
- e) Title III, construction inspection services
- f) as-built drawings, as required
- g) treatability studies required for remedial design
- h) technical services to evaluate RI/FS treatability studies
- i) technical services to evaluate technology development activities
- j) design services required to support the base activities

The ERM shall procure and manage construction subcontractors for those activities determined to be construction work at FEMP, including construction related to remedial and other response actions selected in Records of Decision (or other decision documents)."

While not providing an explicit definition, we believe the contract adequately describes the nature of these activities. As noted elsewhere in this plan, DOE is evaluating the contractor's proposed skills mix requirements for FEMP activities, and will honor stakeholder requests to review that same information.